

INCOME TAX ACT OF 1967 (EXCERPT)
Act 281 of 1967

206.274 Credit claimed for student fees and tuition; rules; limitation; definitions.

Sec. 274. (1) For the 1995 tax year and each tax year after the 1995 tax year and subject to the limitations in this section, a claimant who has adjusted gross income of \$200,000.00 or less and who is a resident of this state may claim a credit against the tax due under this act for fees and tuition paid by the claimant on behalf of the claimant or any other student to a qualified institution of higher learning.

(2) A claimant may claim a credit under this section equal to the following amounts for the following periods:

(a) For the 1995, 1996, and 1997 tax years, 4% of the sum of all fees and tuition paid, not to exceed \$250.00 for each student for each tax year.

(b) For the 1998 tax year and each tax year after the 1998 tax year, 8.0% of the sum of all fees and tuition paid, not to exceed \$375.00 for each student for each tax year.

(3) A credit shall not be claimed under this section for more than 4 tax years for any 1 student.

(4) The credit under this section may be claimed on a separate form exclusive of any other form required by this act.

(5) The department may require reasonable proof from the claimant in support of the fees and tuition payments claimed under this section.

(6) The department may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this section.

(7) The total amount of credits claimed in a tax year for tuition and fees paid by or on behalf of any 1 student shall not exceed the maximum amount allowable under subsection (2).

(8) As used in this section:

(a) "Fees" means fees required of and uniformly paid by all students and that have been promulgated and published in the catalog of the qualified institution of higher learning.

(b) "Qualified institution of higher learning" means an institution that meets all of the following criteria:

(i) The institution meets the criteria for an institution of higher learning under section 260.

(ii) The institution is located in this state.

(iii) The instructional programs of the institution are not comprised solely of sectarian instruction or religious worship.

(iv) For the 1995 tax year and each tax year after the 1996 tax year, the institution has provided a letter of notification to the state treasurer before July 1 of the tax year that states that the institution will not increase fees and tuition rates during the ensuing academic year by more than the annual average percentage increase in the United States consumer price index in the immediately preceding tax year.

(v) For the 1996 tax year only, the institution has provided a letter of notification to the state treasurer on or before December 31, 1996 that states that the institution will not increase fees and tuition rates during the 1996-1997 academic year by more than 3% above the fees and tuition rates for the 1995-1996 academic year.

(c) "Tuition" means in-state tuition less any refunds of tuition received by the claimant or student paid for any of the following:

(i) Credits for an undergraduate degree program.

(ii) Credits granted by a community college or a 2-year private college toward a degree program or granted for the purpose of transferring those credits toward an undergraduate degree program.

(d) "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics, and as certified by the state treasurer.

History: Add. 1995, Act 7, Imd. Eff. Mar. 8, 1995;—Am. 1996, Act 484, Eff. Jan. 1, 1996;—Am. 1997, Act 82, Imd. Eff. July 25, 1997.

Compiler's note: Subsection (1) of Section 3 of Act 484 provides:

"Section 3. (1) Sections 264, 274, 439, 440, 471, 475, 506, 512, 522, and 527a of Act No. 281 of the Public Acts of 1967, as amended by this amendatory act, are retroactive and effective January 1, 1996."